

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1, 2, 10-18, 21-24, 26, 32-36, 39-41 and 53-55 of the Complaint.

2. Denies the allegations contained in paragraphs 3, 28 and 31 of the Complaint.

3. With respect to the allegations contained in paragraphs 4-9, 29, 37, 42-50, 52, 56 and 57 of the Complaint, SASI states that the allegations constitute legal characterizations to which no responses are required; to the extent responses are required, SASI denies the allegations contained in paragraphs 4-9, 29, 37, 42-50, 52, 56 and 57 of the Complaint.

4. Denies the allegations contained in paragraph 19 of the Complaint, except admits that it is a New York corporation with an office at 12 East 49th Street, New York, New York.

5. With respect to the allegations contained in paragraph 20 of the Complaint, admits only that SASI's principal place of business is in New York City.

6. With respect to the allegations contained in paragraph 25 of the Complaint, SASI respectfully refers the Court to the Decision and Order and Judgment referred to therein for the true and correct contents thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25 of the Complaint.

7. With respect to the allegations contained in paragraph 27 of the Complaint, SASI respectfully refers the Court to the Order and letter referred to therein for the true and correct contents thereof, and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27 of the Complaint.

8. With respect to the allegations contained in paragraphs 30, 38 and 51 of the Complaint, SASI incorporates by reference its responses to each of the above paragraphs as if fully set forth herein.

FIRST AFFIRMATIVE DEFENSE

9. Plaintiffs' claims fail to state a cause of action upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

10. Plaintiffs failed to name an indispensable party (the Palestinian Pension Fund for the State Administrative Employees in the Gaza Strip) pursuant to Rule 19 of the Federal Rules of Civil Procedure.

THIRD AFFIRMATIVE DEFENSE

11. Plaintiffs' claims are barred, in whole or in part, by laches, estoppel and/or waiver.

FOURTH AFFIRMATIVE DEFENSE

12. Plaintiffs' claims are barred, in whole or in part, because any claims or damages asserted by plaintiff are the result of acts or omissions of third-parties or events over whom or which defendant has no control.

FIFTH AFFIRMATIVE DEFENSE

13. SASI is a mere stakeholder with respect to the assets that are the subject of the Complaint.

WHEREFORE, SASI respectfully requests that the Court:

- A. Dismiss the Complaint with prejudice;
- B. Award SASI its costs, disbursements and attorneys' fees; and
- C. Grant such other and further relief as the Court deems just and proper.

Dated: New York, New York
July 11, 2007

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